



State of Washington
Department of Revenue

Excise Tax Advisory

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TRANSFERS FROM TANK FARMS TO BULK PLANTS

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Is the Wholesaling Functions Tax applicable to the value of products distributed from tank farms to bulk plants?

Gasoline is transported into Washington and initially kept in large storage tanks known as "tank farms." The product is later transferred to "bulk plants" scattered throughout the sales area, serving as distribution points for tank truck delivery to retail customers.

The Commission concluded that the Wholesaling Functions Tax was applicable to the value of products distributed from tank farms to bulk plants, although no sale was made. It considered the bulk plants to be equivalent to the taxpayer's "own retail stores" as defined in RCW 82.04.270, in light of the storage of goods held for sale, solicitation, order taking, sales, and delivery being conducted from these premises.

The Commission's position was upheld in a subsequent decision by the Washington Supreme Court, Standard Oil Co. v. State, 57 Wn. 2d 56 (1960). The Court observed that the Legislative intent behind RCW 82.04.050 and RCW 82.04.060 was to tax every sale not expressly excepted from the operation of the Statute and not to limit "retail stores" or outlets merely to those establishments selling packaged articles for personal use. Furthermore, the proportion of retail and wholesale functions being conducted at such outlets was considered in no way to preclude an application of the tax to such distributions.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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